



COMMONWEALTH of VIRGINIA

Office of the Governor

George C. Newstrom
Secretary of Technology

August 26, 2003

The Honorable John H. Chichester
Chair, Senate Finance Committee
General Assembly Building, 10th Floor
Richmond, Virginia 23219

Dear Chairman Chichester:

I am writing to formally acknowledge that I have received and reviewed a copy of the Joint Legislative Audit and Review Commission's presentation entitled "Current Status: Implementation of the Virginia Information Technologies Agency" that was delivered to the Senate Finance Committee on Monday, August 25, 2003.

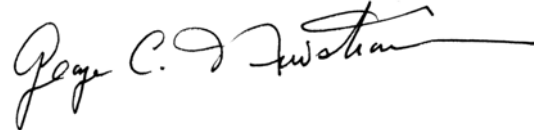
As you are well aware, the 2003 General Assembly session resulted in legislation cooperatively developed between the Governor and the General Assembly that provides for the restructuring of information technology within Virginia's state government and the creation of a new state agency responsible for information technology within the Commonwealth of Virginia named the Virginia Information Technologies Agency, or VITA. Consistent with the provisions of this legislation as well as Executive Order 50 (2003), the Secretary of Technology has been vested with the responsibility for oversight of efforts to implement the restructuring as well as responsibilities for the reporting and monitoring on the progress of these efforts. Mindful of these responsibilities and having reviewed JLARC's presentation, I believe that I am left with no choice but to respond with the assertion that JLARC's findings are inaccurate and misrepresent the progress that VITA and the IT reform effort have made to date. To this end, I would also like to thank you for providing the opportunity to address JLARC's concerns by returning to the next meeting of the Senate Finance Committee with a presentation jointly prepared by staff members from JLARC, the Senate Finance Committee, the House Appropriations Committee, and the Secretary of Technology's office.

I will not rebut JLARC's concerns item by item since I believe that it is directly contrary to the cooperative partnership and bipartisan spirit that we have been able to cultivate in the implementation of IT reform. Instead, I am attaching a presentation on the progress of the IT reform effort delivered by Ms. Cheryl Clark, Deputy Chief Information Officer, to the Information Technology Investment Board at their meeting on August 5, 2003. In the context of JLARC's presentation, specific noteworthy items are as follows:

- The IT Investment Board – The first meeting of the IT investment board was convened as soon as practicable after appointments were made, and conclusions about the board made on the basis of a single meeting are at best hasty and premature. Additionally, although JLARC suggests that the delegation of responsibilities to the interim CIO appear “contrary to legislative intent,” the board was established as an independent board with members, appointed from both the Governor and the Legislature, taking independent actions. With this in mind, the board unanimously approved the delegation of responsibilities without objection.
- The Chief Information Officer – The concerns raised by JLARC about the process established for hiring a CIO, the hiring of senior management within VITA, and the day-to-day operations of VITA are completely devoid of context and fail to recognize the operational demands placed upon VITA and the need for business continuity in operations. Hiring a professional CIO requires a professional search lasting on average between three to six months (as evidenced eighteen months prior by the search process resulting in the selection of Phil Shucet as Commissioner of VDOT). If VITA were forced to cease all operations pending the selection of a CIO, critical deadlines such as consolidation of small agencies on January 1, 2004, would not be met. In instances where theory and operations clash, it is important to recognize that VITA is resolving these tensions by using practical common sense.
- Implementing VITA – As of today, VITA is 57 days old and has met all of its commitments to date, from the consolidation of existing agencies (DIT, DTP and VIPNet) to the publication of drafts of the Operating Plan and Memorandum of Agreement (MOA). Specific criticisms and required actions offered by JLARC, such as development of the methodology for documenting cost savings from consolidation and the development of plans for procurement, human resources, and funding are all actions that are already underway and would be expected in the course of a state agency's normal operations.

It is still my sincere hope that we are all working diligently to ensure that VITA and the IT reform effort ends up as an unqualified success, delivering value to both state government and the citizens of the Commonwealth of Virginia. Once again, I thank you for providing the opportunity to address JLARC's concerns at the next Senate Finance Committee, and I would be delighted to personally address any concerns that you or other members of the General Assembly may have that arise prior to the next meeting of the Senate Finance Committee.

Sincerely,

A handwritten signature in black ink, reading "George C. Newstrom". The signature is fluid and cursive, with a long horizontal line extending from the end.

George C. Newstrom
Secretary of Technology

Attachment

cc: The Honorable William H. Leighty, Chief of Staff
Members of the Senate Finance Committee
The Honorable Joe T. May, Chair, Joint Commission on Technology & Science
Mr. Philip A. Leone, Director, Joint Legislative Audit and Review Committee
Members of the Commonwealth IT Investment Board